

**COMMENTS OF  
A. J. SAIN  
STAFF VICE PRESIDENT  
FEDEX CORPORATION  
BEFORE THE  
MICHIGAN HOUSE LABOR COMMITTEE**

**May 5, 2010**

**INTRODUCTION**

On behalf of FedEx, I thank the Michigan House Labor Committee for the opportunity to comment here today. My name is A. J. Sain. I am Staff Vice President of Government Affairs for FedEx Corporation at our headquarters in Memphis, Tennessee. FedEx is consistently ranked among the world's most admired and trusted employers, FedEx and its more than 280,000 employees and contractors are proud of their commitment to safety, the highest ethical and professional standards and the needs of their customers and communities. FedEx appreciates the important work of the Michigan House Labor Committee.

**FEDEX IN MICHIGAN**

Let me begin my comments by providing you with some information regarding FedEx in Michigan. The FedEx family of companies has 4,084 employees in Michigan. FedEx has been an employer since our company "Federal Express" was founded in 1971. FedEx has significant capital investments in Michigan including investments in Michigan airports, integrated air/surface transportation and sorting facilities, trucking facilities and retail service centers including FedEx Office locations formerly FedEx Kinko's.

**OPPOSE MICHIGAN HOUSE RESOLUTION 171**

We urge you to oppose Michigan House Resolution 171 that requests the United States Congress to enact the FAA Reauthorization Act of 2009 specifically with a controversial U.S. House Amendment that targets one company in the express carrier industry. The controversial U.S. House Amendment is NOT included in the U.S. Senate version of the FAA Reauthorization Act of 2009. FedEx's main competitor, United Parcel Service, (UPS), has united with the Teamsters Union to lobby the U.S. Congress to rewrite the Railway Labor Act, (RLA), in a way that would affect just one company –

FedEx Express. The controversial reason is that UPS and the Teamsters would benefit if the union's disruptive organizing tactics, including crippling strikes and wildcat walkouts, were allowed it would bring FedEx Express' vital airline express delivery system to its knees.

Again, the U.S. House Amendment, intended to change the RLA, is targeted at only one company-- FedEx Express. The RLA was created to prevent small and local unions from disrupting nationwide transportation networks. FedEx Express is precisely the type of company the RLA was created to regulate. Unlike other industries where the right of employees to strike is guaranteed by statute, uninterrupted services provided by air and rail carriers are essential to the health and the economy of the nation. FedEx Express is a highly integrated air/ground network, the nature of which is consistent with original purpose of the RLA.

FedEx Express carries time-sensitive packages including high value parcels, medical devices and life saving pharmaceuticals. The great majority of packages transported by UPS are not time-sensitive and do not travel by air. Only 6% of all UPS drivers carry express packages that were transported by air.

If FedEx Express were subject to the National Labor Relations Act, (NLRA), process, multiple unions would represent different groups of workers, by location and by function, even in the same cities, making operating extremely difficult, if not impossible. FedEx would have multiple sets of rules trying to connect its local drivers with long distance operations with planes. By comparison, UPS has had a relationship with one union that predates enactment of the NLRA. FedEx would be forced to exist in an entirely different labor environment from UPS.

The RLA is not anti-labor. 70% of employees covered by RLA are organized compared to 7.5% of (NLRA).

FedEx companies have an exemplary labor and employment record as evidenced by a recent collective bargaining agreement with ALPA. All of the FedEx Corp subsidiaries except FedEx Express—including its ground transportation companies—are covered by the NLRA. Only FedEx Express is subject to the RLA

FedEx is consistently recognized around the world as one of the “best places to work”. FedEx has been recognized as the best place to work for minorities and by Fortune magazine as one of the “world’s most admired companies” for the last five years running. FedEx compensation and benefits packages are world class. Our people are our strength and we invest in them every day. For these reasons, we urge you to oppose Michigan House Resolution 171.

#### CONCLUSION

Again, thank you for the opportunity to address the Michigan House Labor Committee. FedEx stands ready to answer any questions you may have regarding the opposition to Michigan House Resolution Number 171.

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